VOLUNTARY DISCLOSURE PRACTICES OF SELECT INDIAN LISTED COMMERCIAL BANKS: A COMPARATIVE STUDY

A

SYNOPSIS

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INTRODUCTION

The present business scenario has taken a shape from national to international which requires more transparency in disclosure of business operations for the benefit of widespread users and taking a meaningful decisions. Hence, the increased complexity of business, structures, and transactions is driving the need for greater and more robust disclosure requirements in today's globalized environment.

DISCLOSURE:

Disclosure is the process through which an entity communicates with the outside world (Chandra, 1974). Disclosure can be defined as the communication of financial as well as non- financial information, which consists of all details regarding business activities that are disclosed either mandatory or voluntary to the users of corporate report (Keyur, 2012).

MANDATORY DISCLOSURE:

Mandatory disclosure consists of information that is required to be disclosed according to the securities law, accounting principles, and regulatory agencies' regulations (Tian & Chen, 2009)

VOLUNTARY DISCLOSURE:

Voluntary Disclosure refers to a firm's management-free decision to provide additional, financial, non-financial, environmental and other relevant information deemed relevant to the decision- making requirements of annual report users. VD is the voluntary publication of financial and non-financial data that a standard-setting accounting authority would not mandate businesses to report (Scaltrito, 2016).

Voluntary disclosures information refers to additional information delivered by firms along with the mandatory information with a view to reduce the information asymmetry between insiders and outsiders (Hasan & Hosain, 2015).

OBJECTIVE OF VOLUNTARY DISCLOSURE:

The main objective of disclosing voluntary information is to strongly communicate the company'svalue to its stakeholders. As more information is available, stakeholders can easily recognize the value, and predict future performance lowering the risk of the investment.

The goal of the voluntary disclosure or expansion of the disclosure is to increase communication with investors, thereby heightening their confidence in making accurate and objective decisions.

INDIAN BANKS & VOLUNTARY DISCLOSURE:

India is currently widely regarded as a new growth engine and an indispensable participant inthe global economy. The Indian financial system is characterized by a large network of commercial banks, financial institutions, stock exchanges, and a wide range of financial instruments.

Banks are the most important pillar of a country's financial system, as it together facilitates thefunction of saving, advancing loans and simultaneously pooling surplus and channelizing the saving to deficit sector. When a bank efficiently mobilizes and allocates funds it results into decrease in cost of capital, increase in capital formation and enhancement in productivity and growth of the firm.

During the last two decades, banking system in India has undergone a number of significant changes, resulting in greater competition and consequently more risks. Therefore, to avoid such risks disclosure practices have become inevitable in recent years.

CURRENT VOLUNTARY DISCLOSURE PRACTICES IN USE:

The requirement of investors for information disclosure is becoming increasingly higher, not only inform of mandatory information disclosure, but also in form of voluntary information disclosure**.** Recently, the issue of voluntary disclosure has become a matter of interest to the investors. Banking companies are expected to provide adequate voluntary disclosure to external parties. Various voluntary disclosure area that are currently in use like disclosure on intellectual capital , disclosure on ESG ,sustainability disclosures, climate change disclosure ,corporate social disclosures etc. have gained much importance with the rise in environmental awareness along with sustainabledevelopment.

ESG Disclosure: Sustainability forms the core of corporate sustainability and is of utmost concern toall the stakeholders. There has been a growing awareness among the corporates to address environmental, social and governance (ESG) issues to contribute towards sustainable development.

Climate change Disclosure: Climate change often centers on companies contributions to global Warming, which has led to an increase in the importance of carbon disclosure. Consequentially, voluntary initiatives, such as the non-profit Carbon Disclosure Project (CDP), have emerged on the international level and put pressure on companies to report their efforts and performance regarding greenhouse-gas (GHG) emissions. Carbon disclosure helps investors estimate a company's regulatory and natural risks related to climate change.

Disclosure on Intellectual capital: Intellectual Capital Disclosure is defined as a report intended to meet the information needs common to users who are unable to command the preparation of reports about Intellectual Capital tailored so as to satisfy, specifically all of their information needs. Intellectual Capital Disclosure represents an approach that can be used to measure intangible assetsand describe the results of a company's knowledge – based activities.

Sustainability Disclosure: As defined by the Global Reporting Initiative (GRI), 'sustainability reporting or disclosure is the practice of measuring, reporting, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development.

BASEL III:

Basel III (or the Third Basel Accord or Basel Standards) introduced in 2010.It is a global, voluntary regulatory framework on bank capital adequacy, stress testing, and market liquidity risk as released by Basel Committee on Banking Supervision. It is a continued effort by BASEL committee to improve banking regulatory framework under BASEL I & II. This seeks to build a strong backbone of banking sector to withstand financial and economic stress, better risk management system and stronger banks transparency and disclosures.

Third Basel Accord is a comprehensive set of reform measure to strengthen the regulation, supervision, risk management of the banking sector. It has been implemented in India in phases from 1 April, 2013 and the deadline for the implementation of Basel-III was March 2019 in India. Itwas postponed to March 2020. In light of the coronavirus pandemic, the RBI decided to defer the implementation of Basel norms by further 6 months and expected to be fully implemented by October 2021.The Basel Ⅲ framework consists of three-mutually reinforcing pillars:

(i) Pillar 1: Minimum capital requirements for credit risk, market risk and operational risk.

(ii)Pillar 2 : Supervisory review of capital adequacy.

(iii)Pillar 3 : Market discipline (Pillar 3) comprises set of disclosures on the capital adequacy and risk management framework of the Bank.

BASEL III Market discipline (PILLAR III):

Pillar 3 - Market discipline Pillar 3 related to the necessary disclosures to the public, regulatorand Board of bank for better financial transparency and safety in the financial system at large. Reserve Bank of

India has stated that banks should provide all Pillar III disclosures, both quantitative and qualitative in nature by the end of March each year along with the annual financial statement. In India, Basel III is useful because it helps in:

(a) Upgrading the quantum of regular value.

(b) Enhancing the nature of capital base.

(c) Enhancing liquidity of benefits.

(d) Making more space for keeping money supervision by controllers under Pillar II and

(e) Bringing further transparency and business sector teach under Pillar III.

A document entitled "Enhancing Bank Transparency" Basel, 1988 released by Basel 1988 released by Basel committee on Banking Supervision, considering transparency to be a key element of an effectively supervised, safe and sound banking system. It observed banks, in regular financial reporting and other public analyzed disclosures provide timely information, which aids participants' assessment of banks. Therefore , adequate public disclosures facilitates a more efficient allocation of capital between banks , since it helps the market to accurately assess and compare the risk and return prospectus of individual banks (Hossain, 2008).

Review of Literature:

Review of literature is the backbone of the whole research work and it is a search and evaluationof the available literature in your given subject or chosen topic area. Literature review creates background for the selection of procedure, helps the researcher in adoption of tools and provides comparative data. For this study total number of literature review collected are 35.

Literature reviews collected for the study are classified as:

International Reviews: 28

National Reviews: 7

TABLE NO-1 INTERNATIONAL REVIEWS

S. No	AUTHOR	YEAR	TITLE	OBJECTIVE	DESCRIPTION
1	Nguyen, T. M. H., Nguyen, N.T., & Nguyen, H.T.	**2020**	Factors Affecting Voluntary Information Disclosure on Annual Reports of Listed Companies in Ho Chi Minh City Stock Exchange.	To measure the factors that affects the level of voluntary disclosure of listed companies in Vietnam.	**RESEARCH METHODOLOGY:** The study conducted descriptive statistical analysis, correlation coefficient analysis to examine the correlation and relevance of independent variables measured by the scale ratio, testing multiple linear regression model. **FINDINGS:** The results of the study show that factors listed time, profitability and organizational ownership affecting voluntary information disclosure onannual reports of listed companies in Vietnam.
2	Biçer, A. A., & Milad, I. A. A.	**2020**	The Impact of Firm Characteristics on the Level of Voluntary Disclosure from Listed Banks in Borsa Istanbul : Evidence	To examine the impact of some bank characteristics (age, size, profitability & leverage) on the extent of voluntary disclosure in annual reports of listed banks in Borsa Istanbul.	**RESEARCH METHODOLOGY:** All 13 listed banks represent the sample of the study. The study adopted the deductive approach. The study also applied the panel data strategy to analyze the collected data from annual reports across five years (2013-2017). **FINDINGS:** The results indicated that there is a positive relationship between each bank characteristic and the level of voluntary disclosure. The results also show that profitability has a big impact on the level of voluntary disclosure followed by leverage, whereas, age and size have a small effect.
3	Abubakar, A.,& Isa, M.A.	**2020**	An overview of Voluntary accounting information disclosure in Nigeria	To discuss the theoretical aspects of voluntary accounting information disclosure in terms of its role in the economy, its determinants, and the common sources of voluntary accounting information disclosure.	This paper provided a snapshot of the theoretical aspect of voluntary accounting information disclosure.
4	Al-Homaidi, E.A., Allamy, K. K.,	**2020**	The extent of voluntary disclosure in the annual	To measure the level of voluntary disclosure in the	**RESEARCH METHODOLOGY:** The study is based on secondary data .A disclosure

	Ahmad, A., & Tabash, M. I		reports of Islamic banks empirical evidence from Yemen.	published annual reports of Yemeni Islamic bank.	checklist covering 266 items is prepared for a 10-year period. **FINDINGS**: The study revealed that the amount of voluntary disclosure that Yemeni Islamic banking institutions publish in their annual reports has gradually increased over the tenyears examined.
5	Salem, R. I.A., Ezeani,E., Gerged,A. M., Usman,M.,& Alqatamin,R. M.	**2020**	Does the quality of Voluntary disclosures constrain Earning Evidence from Middle Eastern and North African Banks?	To examines the influence of the quality of voluntary disclosure (QVD) on earnings management (EM) among a sample of commercial banks in the Middle East and North Africa (MENA) region.	**RESEARCH METHODOLOGY:** The study examines the QVD-EMnexus employing an ordinary least squares (OLS) regression model. This technique is supplemented with regression model and a two- stage least squares model to overcome the potential occurrence of endogeneity problems. **FINDINGS:** Findings suggested that QVD is negatively attributed to EM in the context of MENA banks. The findings also confirm that the quality of financial reporting is enhanced by QVD dimensions that were considered in our framework,leading banks to less engagement in EM practices. In contrast, the influence of the quantity dimension (level) of the disclosed information has an insignificant impact on EM, while the spread and usefulness dimensions of voluntary disclosure (VD) are negatively and significantly associated with EM in the region.
6	Alqatameen,D.A., Alkhalaileh,M.A.A., &Dabaghia, M. N.	**2020**	Voluntary disclosure Of listed banks operating in Ghana.	To examine the extent to which listed banks in Ghana voluntarily disclose information in theirannual report. To determine the differences in the types of informationvoluntarily disclosed by listed banks inGhana.	**RESEARCH METHODOLOGY :** The study employed quantitative research design in gathering and analyzing the data. Purposive sampling was used in selecting all the bank Tukey post hoc test and ANOVA was employed for analysispurpose. **FINDINGS:** **T**he Tukey post hoc test showed a statistical significant difference between strategic information and non-financial information as well as a statistical

					significant difference between strategic information and financialinformation. However, there is no statistical significant difference between non- financial information and financial information.
7	Alqatameen D.A., Alkhalaileh,M. A. A., & Dabaghia,M. N.	**2020**	Ownership Structure, Board Composition and Voluntary Disclosure by Non-financial firms listed In ASE.	To examine the impact of ownership structure and board composition on the level of voluntary disclosure by non-financial firms listed in the AmmanStock Exchange ASE	**RESEARCH METHODOLOGY :** The study uses panel hand-collected data for a 5-year period (2012 – 2016) and employs an OLS-regression to test the study predictions. **FINDINGS:** Both higher managerial ownership and the CEO-duality produce low levels of voluntary disclosure, while foreign ownershipis positively associated with the level of voluntary disclosure. It alsoindicates that larger firms deemed to provide higher levels of voluntary disclosures than smaller firms. Besides, companies audited by big4 firms disclose more voluntary information than those audited by others.
8	Maama, H., & Mkhize,M.	**2020**	Integration of non-financial information into corporate reporting: a theoretical perspective	To examine the theoretical perspective why firms provide voluntary non- financial information.	**RESEARCH METHODOLOGY :** The study adopted a critical literature review research approach. **FINDINGS:** This study makes a unique contribution to the literature on corporate reporting, which is in its embryonic stage by identifying and contextualizing the various theories underpinning the integration of non-financial information into corporatereporting.
9	Rakiv, M.	**2019**	Firm-Specific Characteristics Voluntary Disclosure Reporting: An Empirical Research on Listed Companies of Bangladesh.	To find out whether firm-specific characteristicsaffect the voluntary disclosure reporting practices by listed companiesof Bangladesh.	**RESEARCH METHODOLOGY:** A total of 120 companies have been selected both from service and manufacturing sector. Content analysis technique is used for annual report. A Voluntary Disclosure Reporting Index (VDRI) has been developed. **FINDINGS:** The result shows that firm-specific characteristics

					such as size of the business, profitability, leverage and age positively affects voluntary disclosure reporting practices and size of the business, profitability, leverage and industry type has significant impact in the voluntary reporting practices by thelisted companies of Bangladesh.
10	Ahamed, M.J.	**2018**	Measuring the Association between Disclosure Score and Specific Characteristics of Commercial Banks in Bangladesh	To measure the extent of disclosure that compliance with the provisions of regulatory frameworks of commercial banks in Bangladesh. To identify the relationship of such extent of disclosure with bank's age as well as size. To identify the weakness of disclosure practices and to provide corrective suggestions for developing such practices.	**RESEARCH METHODOLOGY :** Mainly secondary data have been used in this study those were collected from the content analysis of annual reports of selected banks for five financial years from 2011 to2015. **FINDINGS:** The outcome of the study reveals that during the study period, banks are widely distributed regarding the disclosure of accounting information. Results of multiple regression analysis prove that the extent of disclosure has significant positive association with commercial bank's age and size. Such results infer that banks with long-standing and large in size are disclosing more detailed information than others.
11	Hussain, A., & Kakakhel, S.J.	**2018**	The Extent of Information Disclosure in Commercial Banks of Pakistan: A Comparative Analysis of Large Commercial Banks and Small Commercial Banks.	To assess the extent of disclosure in commercial banks of Pakistan and to compare between the information disclosure of large commercial banks and small commercial banks.	**RESEARCH METHODOLOGY:** Secondary data is used for this study. The disclosure index includedthirteen items for financial disclosure and twenty four items for non-financial disclosure. Independent T test is employed. **FINDINGS**: The findings of this study reveal that small banks in Pakistan are more efficient in disclosing information than largecommercial banks.
12	Awadh, M.,& Alareeni,B.	**2018**	Measuring Level of Voluntary Disclosures of Banks Listed in Bahrain Bourse.	This study aims to measure level of voluntary disclosures (VD) in the annual reports of listed banks on Bahrain Bourse.	**RESEARCH METHODOLOGY:** The study sample consists of 24 listed banks during the period 2014- 2015. A checklist was used to analyze the level of the VD. **FINDINGS:** The results showed that there is a variation in the

					level of the VD among banks. The most disclosed topic is general information about banks and information about financial and non-financial analysis, such as share price and historical information about the bank. The information that is the least disclosed concerns R&D costs and information about senior management.
13	Yadav, I.&Kumar ,P.	**2018**	Voluntary Disclosure Practices of Selected Commercial Banks in India: A Comparative Study.	To examine the present position of voluntary disclosure practices prevailing in commercial banks in India. To do the comparative study of voluntary disclosure practices of selected public and private sector banks in India.	**RESEARCH METHODOLOGY:** The study examined data for period of five years from 2011-2012 to 2015-2016.Secondary data is used for the study .For analysis; two sample t test & independent t test have been employed. **FINDINGS:** The study depicted that the public sector banks disclosed more voluntary information as compared to private sector banks.
14	Hossain, S.K., Khan, M.R., & Haque,M. M.	**2018**	Corporate voluntary Disclosure practices and its association with corporate attributes: an empirical investigation of listed and non-listed commercial banks in Bangladesh.	To evaluate the level of the voluntary disclosure practices of listed and non-listed banks. To measure any significant association between bank's specific attributes (i.e., size, profitability, age, and ownership structure) and the level of voluntary disclosure.	**RESEARCH METHODOLOGY:** In this study voluntary disclosure index is constructed. For analyzing the study, some statistical methods (descriptive statistics, OLS regression model, correlation analysis) have been considered. **FINDINGS:** The study also finds that, the bank's size and profitability have the positive relationship with the level of voluntary disclosure. On the other hand, bank's age and ownership structure have the negative relationship with the level of voluntary disclosure in the annual reports.
15	Kaur, M. P.,& Singh, S.	**2017**	Voluntary disclosure practices: an empirical analysis of Financial and non-financial information	To know the extent of Voluntary Disclosure by the corporates (EVD)	**RESEARCH METHODOLOGY:** The Research design is descriptive and based on data available from secondary sources. Descriptive Statistical tools like Arithmetic Mean, Standard Deviation and co-efficient of variations, tables and diagrams were applied to examine the extent of voluntary disclosure made by the firms.

					FINDINGS: The study concluded that most of the firms were having apractice of disclosing financial information, but non-financial information was disclosed by few firms.
16	Assili, I.	**2017**	Determinants of the extent of voluntary disclosure in the annual reports of the Moroccan banks.	To investigate the determinants of the level of voluntary disclosure of banking companies listed on the Casablanca Stock Exchange.	**RESEARCH METHODOLOGY:** The study has taken data of Moroccan listed banks during the period 2005-2015. A non-weighted voluntary disclosure score is computed for each bank. **FINDINGS:** The results revealed foreign ownership has the most significant positive impact on the extent of voluntary disclosure and larger banks provide greater level of voluntary disclosure.
17	Abeywardana, N.,& Panditharathna, K.	**2016**	The Extent and Determinants of Voluntary Disclosures in Annual Reports: Evidence from Banking and Finance companies in Sri Lanka.	To identify the extent of voluntary disclosure level and its determinants.	**RESEARCH METHODOLOGY:** The study develop a voluntary disclosure index including 83 itemsand the nine sub categories which include in this index analyzed by employing content analysis in the annual reports of quoted public banking and finance companies for the time period of 2012 to2015. **FINDINGS:** The study finds that there is a much room for improvement in the context of voluntary disclosures. Furthermore, the study find that firm size, profitability, firm's age, leverage and board independence asdeterminants of voluntary disclosure level and among them firm size, profitability and firm's age have positive relationship and leverage and board independence has negative relationship.
18	Hawashe A.M.	**2016**	Voluntary Information Disclosure in the annual reports of Libyan's commercial banks: a	To measure the level of voluntary information disclosure in listed and unlisted Libyan's commercial banks.	**RESEARCH METHODOLOGY:** The study covers the seven listed and two unlisted Libyan commercial banks, for the six-year period 2006- 2011.

			longitudinal analysis approach.	To examine any significant improvement in the levels of voluntary informationdisclosure.	**FINDINGS:** A longitudinal analysis shows that the extent of all five types of information disclosures is low. However there was an improvement in the general level of voluntary disclosure and its categories over a six-year period.
19	Habbash, M., Hussainey, K., & Awad,A. E.	**2016**	The Determinants of Voluntary Disclosure in Saudi Arabia: An Empirical Study	To determine the level of voluntary disclosure in Saudi Arabia. To compare thislevel with that of some other Arabcountries. To identify the main drivers of voluntary disclosure in Saudi Arabia.	**RESEARCH METHODOLOGY:** The study used a disclosure checklist of 54 items to measure levels of voluntary disclosure. Ordinary least square (OLS) regression analysis were used to test hypotheses for a sample of 361 firm-year observations of firms listed on the Saudi Stock Exchangeover the period 2007-2011. **FINDINGS:** The study found that the average voluntary disclosure level is 18.38%. This rate is the lowest rate among the other Arab countries studied. Study indicated that negative relation between firm leverage and voluntary disclosure. Analysis also showed that board independence, Big 4 and state ownership have no impact on voluntary disclosure.
20	Neogy, T. K.& Ahmed, A.A. A.	**2015**	The Extent of Disclosure of Different Components of Disclosure Index: A Study on Commercial Banks in Bangladesh	To know the extent of disclosure scoreof the different components of disclosure index ofthe selected state- owned commercialbanks in Bangladesh	**RESEARCH METHODOLOGY:** The various statistical tools like average, standard deviation, coefficient of variation and T-testused for analyzing the collected data. **FINDINGS:** This study shows that the disclosurescore of different components of disclosure index is satisfactory and there was significant and non- significant difference in disclosure score of different components of disclosure index between the selected state-owned commercial banks in different years.
21	Aikaeli, J.,& Rashid, Z.	**2015**	Relationship between Profitability and voluntary disclosure: A	To examine the relationship between profitability and voluntary disclosure practices in	**RESEARCH METHODOLOGY:** The study employed ordinary leastsquares technique to analyze the data. An weighted disclosure index&

			case of banks in Kenya.	the Kenyan banking sector.	ordinary least squares techniquewere used to analyze the data. **FINDINGS:** The study revealed that voluntary disclosure level of the Kenyan banks was found to be at 62.8%. Results showed that profitability, listing status and size of the bank were positively and significantly associated with voluntary disclosurelevels.
22	Hasan, T. M.	**2014**	Does size affect the non-mandatory disclosure level in the annual reports of listed banks in Bangladesh?	To measure the impact of firm size on the level of non-mandatory disclosure in the annual reports of listed banks in Bangladesh**.**	**RESEARCH METHODOLOGY:** 15 banking companies listed on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) were randomly selected to be included in the sample A disclosure checklist with 58 items has been used to measure the extent of non- mandatory disclosure. The study mainly employed regression analysis to assess the relationship. **FINDINGS:** The findings indicate that size of afirm is a significant factor in explaining the level of non- mandatory disclosure in the annualreports.
23	Rouf, D.,Abdur, M., Hasan, M., & Ahmed, A. A.A.	**2014**	Financial Reporting Practices in the Textile Manufacturing Sectors of Bangladesh.	To measure the level of voluntary information disclosure by the listed Textile Manufacturing companies of DSE. To examine the association between firm's specific characteristics and corporate governances attributes with corporate voluntary disclosure levels of listed Textile Manufacturing companies of DSE.	**RESEARCH METHODOLOGY:** The study used ordinary least squares (OLS) regression model to examine the relationship between dependent variable and independent variables. The factors are proportion of independent non-executive directors (INDs), board size, board audit committee, ownership structure, Profitability and firm size. The extent of voluntary disclosure level is measured by using 68 items of information. **FINDINGS:** The result shows a positive association between board size and voluntary disclosure and also total assets with voluntary disclosure. In contrast, the extent ofvoluntary disclosure is negatively related to

					the ownership structure.
24	Ho, P. L., & Taylor, G.	**2013**	Corporate governance and different types of voluntary disclosure: evidence from Malaysian listed firms.	To investigate the impact of corporate governance on voluntary disclosure of different types of information in annual reports of Malaysian listed firms.	**RESEARCH METHODOLOGY** A linear regression model is used to test the association between the level of voluntary disclosure of five key information categories and corporate governance. The sample consists of 100 firms over three different socio-economic periods: 1996, 2001 and 2006. **FINDINGS:** There are significant increases in all the key information categories with better communication most pronounced between 1996 and 2001, and a noticeable lower level of communication growth between 2001 and 2006. The strength of a firm's corporate governance structure clearly influences the voluntary disclosure of information relating to corporate and strategic directions, directors and senior management, financial and capital markets, forward-looking projections and corporate social responsibility in 2001 and 2006.
25	Saha, A. K.& Akter, S.	**2013**	Corporate Governance and Voluntary Disclosure Practices of Financial and Non-financial sector companiesinBangladesh.	To examine the relationship between voluntary disclosure and several attributes of corporate governance.	**FINDINGS:** The results obtained show statistically significant differences in levels of voluntary disclosure among listed companies in Bangladesh and show that companies in the financial sector disclose more voluntary informationthan non-financial companies.
26	Bhasin,M.L., Makarov,R., & Orazalin, N.	**2012**	Determinants of Voluntary Disclosure in the Banking Sector: An EmpiricalStudy.	To investigate the extent and determinants of total voluntary disclosure and disclosure categories in financial and non-financial reports of banking companies.	**FINDINGS:** The empirical results suggest that the number of outside directors has the most significantly positive impact on disclosure score. Increase in bank size also leads to higher degree of voluntary reporting. However, the findings provide evidence that voluntary reportingdoes not improve over time.
27	Hossain, M.	**2008**	The Extent of Disclosure in Annual Reports of	To investigate the extent of both mandatory and voluntary	**RESEARCH METHODOLOGY:** The study is based on secondary data of banks listed

			Banking Companies: The Caseof India.	disclosure by listed banking companies in India. To examine association between company-specific attributes and total disclosure,	on both NSE & BSE. Multicollinearity in explanatory variables has been diagnosed through analyses of correlation factors and Variable Inflation Factors. **FINDINGS:** The study revealed that the average score in disclosing mandatory items, is more than for voluntary disclosure .The findings also indicate that size, profitability, board composition, and market discipline variables are significant, and other variables such as age, complexity of business and asset-in-place are insignificant in explaining the level of disclosure.
28	Hossain, M.,& Reaz, M.	**2007**	The Determinants and Characteristics of Voluntary Disclosure by Indian Banking Companies	To investigate the extent of voluntary disclosure by banking companies. To analyze the association between company specific characteristics and voluntary disclosure of the sample companies.	**RESEARCH METHODOLOGY:** The study considered the annual reports for 2002-03 of the 38 banks. Regression model is employed to analyze the effect of each variable on disclosure level. **FINDINGS:** The study indicated that Indian banks are disclosing a considerable amount of voluntary information. The findings also indicated that company's characteristics were insignificant in explaining the level of disclosure.

TABLE NO-2 NATIONAL REVIEWS

S.No.	AUTHOR	YEAR	TITLE	OBJECTIVE	DESCRIPTION
1	Gupta S.	**2019**	A Study on Disclosure in Annual Report ofBanks.	The purpose of this paper is to find the research gap and suggest future areas of research in the field of disclosure practices of banks.	The paper applies the Meta analysis technique. Comprehensive literature review is done for the purpose of cumulating and integrating the findings across studies.
2	Banupriya,K.,& Vethirajan, C.	**2018**	Mandatory & voluntary disclosure of	To compare Socio Economic Factors of Age and Gender variables of investors and Mandatory &	**RESEARCH METHODOLOGY:** This research is based on descriptive and analytical in nature. The statistical tools of independent sample t-test, one

			Indian companies– A study with reference to investors in Chennai region.	Voluntary Corporate Accounting Disclosure Practices of Indian Listed Companies in Chennai Region. To analyse the perception of the investor regarding status of Mandatory & Voluntary Corporate Accounting Disclosure Practices of Indian Listed Companies.	sample t-test, ANOVA are usedfor the study. **FINDINGS:** Disclosure of accounting policy with income tax information is found to be much higher than moderate level and the disclosure of entire mandatory corporate accounting reports is good according to the investors. Disclosure of generation corporate information, the investors have perceived all other aspects of voluntary disclosure similarly irrespective of the difference in age levels.
3	Raju,G.	**2017**	Basel III and strengthening of Indian banking sector.	To measure the awareness level of bank managers who are primarily responsible for following the BaselIII norms in their branches.	**RESEARCH METHODOLOGY:** Primary data has been used for the study. A structured questionnaire has been administered among the sample bank branch managers. Five point scale & Chi square test were usedto measure the awareness level. **FINDINGS:** It is inferred that Indian banks are serious about the implementation of Basel III norms.
4	Tewari, M.	**2017**	Financial reporting Practices in commercial banks-a comparative study.	To examine the disclosure practices of commercial banks in India overthe period of study. To compare the disclosure practices of selected private sector banks with the public sector banks. To examine the discriminatory power of total, mandatory and voluntary disclosures in relation to public and private sectorbanks. To make suggestions forimproving thequality of disclosure.	**RESEARCH METHODOLOGY :** The time frame of the study is one financial year i.e.2016-17. The index of disclosure was usedin the study to evaluate the annual reports of both the commercial banks. Unweighted disclosure index methodology has been adopted. **FINDINGS:** Both the banks i.e. selected for the study were disclosing mandatory disclosure equally. Whereas non mandatory disclosure practice has been found more in Allahabad bank ascompare to HDFC bank.

5	Charumathi ,B., & Ramesh, L.	**2015**	On the determinants of voluntary disclosure by Indian companies.	To understand the factors that influence the choice of the disclosure policies of Indian companies by using longitudinal data of companies in the NSE Nifty index**.**	**RESEARCH METHODOLOGY:** This is an empirical study using panel data for the four-year period. The study uses a voluntary disclosure index constructed with financial and non-financial items across different categories. **FINDINGS:** This study has contributed to the research by providing an India-specific voluntary disclosure index.
6	Jaydev, M.Monga,R.S., & Tiwari, V.	**2010**	Disclosure level of Indian banks: International comparison and impact on shareholder wealth.	To compare the disclosure practices of banks worldwide. To find out where India stands in terms of disclosures in the banking industry. To analyze the impact of disclosure practices on share prices in India.	**RESEARCH METHODOLOGY:** Annual reports of nine banks from various parts of the world for the period of Jan 2000 - April 2007 were studied. Event study method was performed and T – test also used to find out the impact of the disclosure on the price of shares. **FINDINGS:** The study showed that Indian banks are far behind their foreign counterparts in disclosing information to the public and newdisclosures mandated by RBI do not really have any significant impact on the share prices of these banks.
7	Singh, Kashmir.	**2007**	Non-Mandatory Disclosure Practicesof Banking Companies in India. .	To examine empirically the non-mandatory disclosure practices of banking companies in India.	**RESEARCH METHODOLOGY:** An index of disclosure of 21 reporting items was constructed and the annual reports of 40 banking companies of the public and private sectors were analyzed to check the level of disclosure ofnon-mandatory reporting items. **FINDINGS:** The results of the study showed that the level of reporting of non- mandatory items was very low and wide variation in disclosure score existed among various banking companies of public and private sector. However, the banking companies of both the sectors show a great deal of in respect of reporting non- mandatory information among them.

RESEARCH GAP:

Review of the academic disclosure literature has revealed that accounting researches in both developing and developed countries have conducted a large number of studies on the subject of voluntary disclosure practices with reference to corporate sector .Till date, less attention has been paid by academic researchers to voluntary disclosure practices in Indian banking sector despite the fact that the banking sector plays a major role in economic growth in a country. It has been observed that previous studies have been revolving around disclosure practices and relationship among banks' attributes. Researches have been conducted on the impact of commercial bank specific characteristics (such as size, age, listing status, profitability, liquidity position, and foreign ownership and government ownership) on voluntary disclosure.

The previous studies have been conducted on disclosure practices including various voluntary disclosure areas such as corporate governance disclosure, corporate social responsibility disclosure , and human resource disclosure practices for different periods of time for different forms of corporate entities. The previous studies haven't properly considered major voluntary disclosure variables such as Basel III, Pillar 3 disclosures that have gained importance for Indiancommercial banks. Climate change is a noteworthy concern for India. Accompanied with the increasing significance of climate change at the beginning of 21st century, climate change disclosure has recently gained attention from researches. This study also considers climate change disclosure area .Many studies were conducted on corporate disclosure practices for different periods of time ofdifferent entities. There was not a single study which had focused on voluntary disclosure practices of the selected banks for the considerable period of time. There were research studies on comparative analysis of Voluntary disclosure practices on IndianPublic & Private sector banks considering Basel II Pillar 3 variables .Climate change disclosure gained importance recently , previous studies haven't not include thisdisclosure area for research. Voluntary disclosure practices mainly concerned are stakeholders so, there is need arises of study based on primary data. Keeping into consideration BASEL III pillar 3 disclosures & climate change disclosures, it becomes need to take a detailed study on different voluntary disclosure areas of the commercial banks.

NEED OF THE STUDY

Banks plays an important role in India's financial system. During last two decades, banking system has undergone a number of significant changes, resulting in greater competition and more risks. In today's world adequate disclosure and transparency is not only required to accountability but also to meet the information needs of various stakeholders for rational decision making. Voluntary disclosure practices help business to earn goodwill.

Therefore, to avoid such risks disclosure practices have become inevitable in recent years this study has following significance:

1. It will provide clear understanding of voluntary disclosure practice among banking sector ofIndia.

2. The study will provide comparative analysis of voluntary disclosure practices of public and private sector banks.

3. This study can make a contribution to improve transparency in India's banking sector.

4. It will be beneficial to the stakeholders. They can easily recognize the value, and predict future performance lowering the risk of investment.

5. This study can be useful to bank investors, as this increases confidence in strength andstability of banks' balance sheet because of transparency in disclosures.

OBJECTIVES OF THE STUDY:

1. To examine the extent of voluntary disclosure practices of selected Public & Private banks in India.

2. To compare the voluntary disclosure practices of selected Public and Private sector banks in India.

3. To identify significant changes in voluntary disclosure practices over period of study.

4. To analyze the perception of stakeholders related to the voluntary disclosure practices.

RESEARCH METHODOLOGY:

To accomplish the objectives of the study, following research methodology will be adopted:

Type of Research: This study is descriptive and analytical in nature.

Data Collection:

Type of Data: Primary and secondary data will be used for the study.

Sources of Data:

Primary Data: Primary data will be collected through the questionnaire from respondents. The

questionnaire will be served to the 200 stakeholders .Purposive sampling technique will be used in the selection of sample**.**

TABLE NO-3 CLASSIFICATION OF RESPONDENT

S. No.	Respondent	No. of Respondent
1.	CA/CS	50
2.	Academicians	50
3.	Researchers	50
4.	Investors	50

Justification:

Professionals for this study includes Chartered Accountants, Company Secretaries as they are the auditors so that they can provide true and fair view of disclosure practices followed by selected banks. Researchers & Academicians will be selected for the study as they have knowledge about voluntary reporting practices. Investors are the main consumer of financial reporting and disclosure and that's why their view should be considered to enhance disclosure effectiveness. The purpose of taking investors along with professionals will help to enhance in communication style and presentational changes to make disclosure practices of banks more effective.

Secondary Data:

Major source of data are the annual reports of selected public and private banks, which will be collected from the official websites of the selected banks. Various other sources like journals, newspapers and website of RBI will be used for data collection.

Population : According to the statistics of RBI , total 44 scheduled commercial banks out of which there were 22 Public sector banks & 22 Private sector banks in India as on 31March 2017 .

Sample Size:

Total ten banks have been selected for the study. Top five banks are selected from list of all scheduled Public sector banks &top five from list of Private sector banks in India as on 31 March 2017.

TABLE NO-4 SAMPLE SIZE

S. No.	Public Sector Banks	Private Sector Banks
1.	State Bank of India	HDFC Bank
2.	Punjab National Bank	ICICI Bank
3.	Bank of Baroda	Axis Bank
4.	Bank of India	Yes Bank
5.	Canara Bank	Kotak Mahindra Bank

CRITERIA FOR SELECTION OF SAMPLE:

1. Selected banks are listed in NSE and BSE.

2. The above selected banks are top five banks in their respective sector on the basis of depositas well as on the basis of market capitalization as on 31 March 2017.

DURATION OF THE STUDY:

The period of 5 financial years will be considered for this study i.e. from 2017-18 to 2021-22.

DATA ANALYSIS:

Collected data would be analyzed by the following tools:

- Percentage, Average, Standard Deviation.
- Inferential statistical tools such as independent t -test, & Chi Square Test will be used.
- For Presentation of data: Tables, bar diagrams, Graphs etc. will be used.

RESEARCH HYPOTHESES:

Ho1: There is no significant difference in voluntary disclosure practices in selected Public sector banks.

Ho2: There is no significant difference in voluntary disclosure practices in selected Private sector banks.

Ho3: There is no significant difference in voluntary disclosure practices between selected Public & Private sector banks.

Ho4: There is no significant difference in voluntary disclosure practices over period of study.

Ho5: There is no significant difference in stakeholders' perception on sufficiency of disclosures by selected banks.

TABLE NO-5 OBJECTIVE WISE RESEARCH METHODOLOGY

S. No.	Objectives	Research Methodology
1.	To examine the extent of voluntary disclosure practices of selected Public &Private sector banks in India.	To achieve this objective, researcher will prepare disclosure index and checklist. A set of 9 majorvariables are selected for the study .Variables selected for the study are mentioned *. Content analysis will be used to examine the voluntary disclosure practices of selected banks. Percentage, Average & standard deviation will beused to measure the

		extent to which disclosure requirements are fulfilled by selected banks.
2.	To compare the voluntary disclosure practices of Public and Private sectorbanks in India.	To achieve this researcher will compare disclosure practices of selected Public & Private sector banks. Descriptive statistics & Independent t -test will beused to compare voluntary disclosure practices of Public & Private sector banks.
3.	To identify significant change in voluntary disclosure practices over theperiod of study.	Data of period of five financial years will be analyzed to examine significant improvement over period of study. Longitudinal analysis approach will be used to study any significant change over period of study.
4.	To analyze the perception of the stakeholders related to the voluntarydisclosure practices.	A self-designed questionnaire will be prepared to collect the data. A sample size of 200 stakeholdershas been set for this purpose. Chi Square Test will be employed to examine the association in the views among different stakeholders selected for the study.

TABLE NO - 6*VOLUNTARY DISCLOSURE INDEX VARIABLES

S. No.	Voluntary Disclosure Variables	No. of Items
1.	General Information about Bank	6
2.	Employees related Information	3
3.	Key non –financial statistics	8
4.	General Risk Management	5
5.	Corporate Governance Report	5
6.	Financial Information about banks	9
7.	Climate change Disclosure	7
8.	Basel III, Pillar 3 Disclosures	92
9.	Miscellaneous	5
	Total	**140**

TABLE NO-7 PROPOSED CHAPTER PLAN

CHAPTER 1	Introduction
CHAPTER 2	Review of Literature
CHAPTER 3	Voluntary Disclosure :Theoretical Framework
CHAPTER 4	Voluntary Disclosure Practices by selected Banks :Examination &Comparison
CHAPTER 5	Perceptions of Stakeholders' regarding Voluntary Disclosure.
CHAPTER 6	Findings, Suggestions ,Conclusions
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